

TO: Town Council

VIA: Gary A. Huff, Town Manager

FROM: Susan H. Kaiser, Director of Financial Services

SUBJECT: Ordinance 1376 An Ordinance Authorizing Issuance of Its General Obligation Capital improvement Bond, Series 2004

DATE: October 21, 2004

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This ordinance authorizes the issuance of a maximum of \$3,800,000 general obligation bonds. The proceeds of this bond will be used to finance \$2,000,000 of projects approved in the FY 2005-2009 Capital Improvement Program and \$1,800,000 for the Highland Park Water Tank. In accordance with past practices and as projected in the Capital Improvement Programs, the Town issues bonds every two years to fund long-term capital projects. As stated in the Capital Improvement Program, this bond issue is in accordance with the Town's Principles of Sound Financial Management. The last bond issue was October 31, 2002.

This ordinance authorizes the Town Manager to accept the proposal for the purchase of the Bond that is most advantageous to the Town. A solicitation to receive bids to the purchase the bond was issued in September to 15 banks. Five banks responded with bids. The bid selected is to National Bank of Blacksburg with an interest rate of 3.81% for a fixed 20 year term. The sale of the bond is scheduled for Friday, October 29, 2004

If you have any questions, I will be happy to answer them.